

# The Destiny of Mankind Hinges Upon Gold

## Hugo Salinas Price

I must have read fifty accounts, in the Financial Times (FT) and others of that ilk, about what went wrong with the Euro. I have yet to read one that comes out with the plain, unvarnished truth. The whole bloody Establishment of bankers, politicians, economists and journalist whores sings the same song: "The euro came to grief because there was no [fiscal union](#)". Therefore, the solution to be inferred is that fiscal union would remedy the case of the European Union's imminent collapse.

**Let's face it: the euro is a fiat currency and fiat always ends up in disaster.**



Our civilization is in evident decline. If it weren't, we would find several eminent economists of the stature of [Jacques Rueff](#) in the halls of power; he was the French economist who wisely counseled General Charles de Gaulle to remove France's gold from the cellars of the NY Fed and transfer it to France.

Jacques Rueff was a man capable of understanding the fundamentals of how the world works. His vision was clear, and his intellectual scope was capable of taking in the details of local commerce as well its international workings. Men and women of his capacity are still around today, but they are not welcome in the higher reaches of politics.

[Rueff](#) wrote a little book in 1963, "*L'Age de L'Inflation*" ("The Age of Inflation") made up of some articles he had written. He wrote an "Introduction" to his book, and the very first words are these:

**"LE SORT DE L'HOMME SE JOUE SUR LA MONNAIE"**

A loose translation, taking into account the content of his book, would be:

**"THE DESTINY OF MANKIND HINGES UPON GOLD"**

Europe is a great mess today because those in power made the wrong choice when deciding what currency the European Union should use. They chose a fiat currency instead of the Gold Standard and currency redeemable in gold at sight. That is the Original Sin of the euro.

[Rueff](#) was also active when the European Union was being forged. His book's fifth essay ends with these prophetic words:

**"L' EUROPE SE FERA SUR LA MONNAIE, OU NE SE FERA PAS"**

Translated loosely and considering Rueff's views, this would be:

### **"EUROPE WILL BE BUILT UPON GOLD, OR IT WILL NOT BE BUILT"**

Indeed, United Europe is falling apart. By the time you read this, it may already have collapsed. But it is falling apart not because of a lack of "[Fiscal Union](#)". It is collapsing because of the absence of the fundamental means for free international collaboration, based on the realities of each nation of Europe: there is no gold standard at work.

Somewhere in his books, [Ludwig von Mises](#) states that the beginning of the end of the Austrian Empire came when the gold coin stopped circulating in the Empire. It was this stable and trustworthy money that had held together an Empire made up of several nations with very different cultures. When the gold coin disappeared, the unifying factor was gone as well.

### **Gold is the money for societies made up of men and women who wish to live in the real world**

This is part of the trouble in our declining civilization: men and women in these times wish to live in illusions, and the politicians, the bankers and their economist lapdogs have been providing those illusions for many decades now. Those illusions were enabled by the "Welfare State": Comfort and security from cradle to grave, with no requirement of hard work to merit them. On the other hand, it would also be reasonable to say that men and women today live in illusions, because they were forced to do so by the [fiat money](#) they had to use. Once fiat money is in place, all becomes illusion and gambling and people give up trying to make sense of life. Pretty soon they take illusions to be realities.

Wolfgang Münchau in the FT of September 26 writes in the editorial page:

*"I have never seen Europe's politicians as scared as I saw them in Washington last week".*

Europe's politicians have good reason to be scared stiff; if the euro cracks up and the [European Monetary Union](#) collapses then the viability of the Welfare State is in question. Without the perpetual deficits that the Welfare State entails, how will it be possible to maintain the populations of Europe in their illusion of perpetual untrammelled bliss? If the peoples of Europe are to wake up one morning to find themselves once again in the real world, where survival means hard work and personal privations, the political upheaval will be gigantic. This is why the politicians are scared.

If the continued existence of the Welfare State is in question, then so is the Democratic State, because Democracy - or what passes for it - can only be simulated where the voting population is constantly appeased with ever greater hand-outs from the Welfare State, the Siamese twin of Democracy.

If the euro cracks up and the [European Monetary Union](#) goes the way of all fiat we can expect a political convulsion of the first order in Europe as the ingrained illusions vanish. Perhaps that would not be a bad thing. Bill Bonner has written, with his usual wry humor, "Give Collapse a Chance".

The world is not coming to an end just because illusions have vanished. The world will adjust, individuals will adjust, the behavior of multitudes will adjust. Those intellectual and moral midgets, who think that the world ends if their particular plans for the world are scrapped, will go to the dustbin of history - at least for a while. That would be a healthy relief.

Central Banks were invented with the express purpose of eliminating volatility in the business of banking. That was a mistake, because today, instead of relatively small bankruptcies of imprudent banks we have the menace of wholesale collapse of banking systems. Unfortunately, no one on the global political scene seems to have grasped this insight.

So we continue to watch the evolution of this European crisis - by implication also a world crisis - with great interest. If a convulsion besets Europe, authoritarian régimes are not out of the question. Authoritarian régimes, despite the bad name given to them by the so-called partisans of "Democracy", are not necessarily bad. After all, the family is an authoritarian organization, and it functions well - when it is allowed to function. Every private business concern is an authoritarian organization. An authoritarian régime oriented to order, property rights, the rule of law and [sound money](#) is actually more stable and viable than an authoritarian régime that wishes to install a socialist society. Incidentally, the Founding Fathers of the US did seriously consider establishing a Monarchy.

The present crisis will offer possibilities that can be either good or bad. Let us remember that the Chinese symbol for "crisis" means "Danger/Opportunity".



*Hugo Salinas Price, 75, is a successful, retired businessman who lives in Mexico. He has been a follower of the Austrian School of Economics since his youth. He has written three books in Spanish on how and why silver should be instituted as money in Mexico, in parallel with paper money, and numerous related articles in English and Spanish, posted at his website. His organization, the Mexican Civic Association Pro Silver, is actively lobbying the Mexican Congress to approve legislation, which will institute the pure silver "Libertad" ounce as money.*